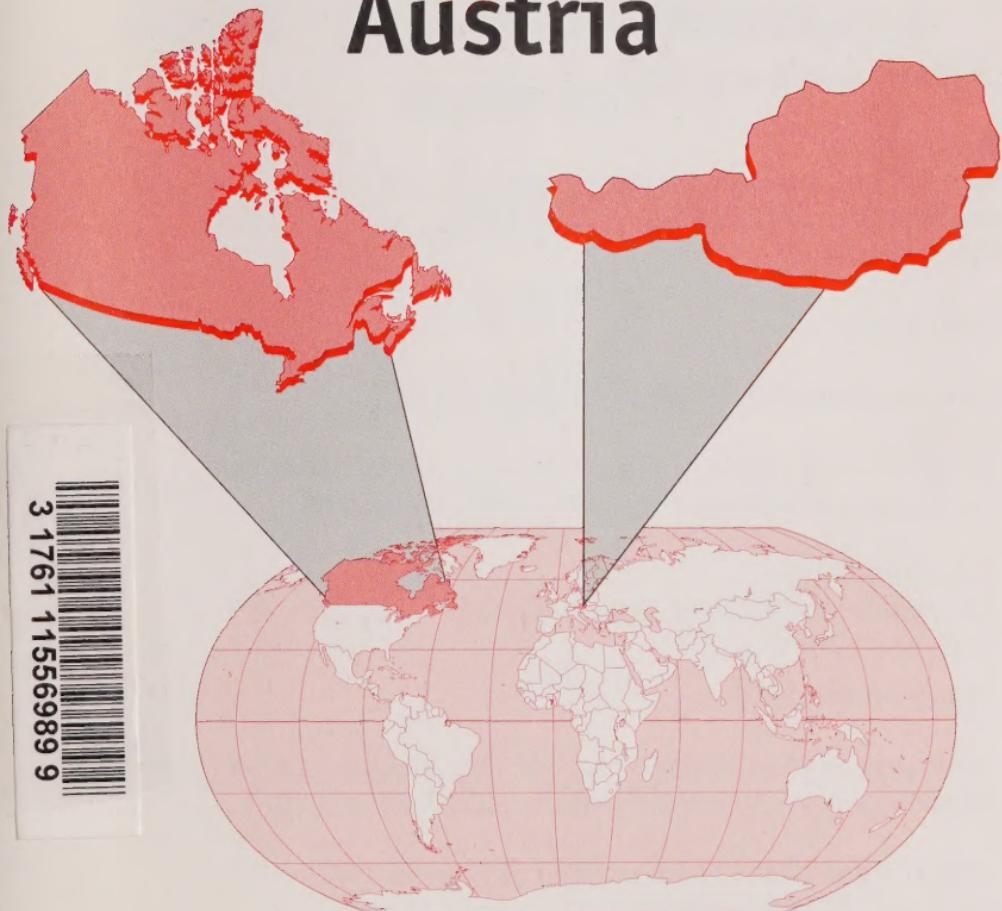




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# Summary: Social Security Agreement between Canada and Austria



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Human Resources Development Canada  
Hull, QC K1A 0J0

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March 2000



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# FOREWORD

The Agreement on Social Security between Canada and Austria came into force on November 1, 1987. The Agreement was amended by a Supplementary Agreement which entered into force on December 1, 1996. If you have contributed to the Austrian Pension Insurance system, the Agreement may help you receive benefits from Canada or Austria.

This summary contains *general* information. Social security legislation and agreements are complex. The summary may not describe all the provisions that apply to your situation.

If you have questions about Canadian benefits, please call Human Resources Development Canada.

**From Canada or the United States**, you can reach us at:

- 1-800-277-9914 (English)
- 1-800-277-9915 (French)
- 1-800-255-4786 (if you have a hearing or speech impairment and use a TDD/TTY device).

**From other countries**, please call

- +1-613-957-1954  
[collect calls are accepted].

You can also write, E-mail or fax us at the address on page 20.

Only the pension insurance authorities of Austria can determine your entitlement to Austrian benefits or answer specific questions. If you think that you may qualify for an Austrian benefit, you should apply. On page 19 you will find information on how to apply.

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# INTRODUCTION

The Agreement on Social Security between Canada and Austria coordinates the pension programs of the two countries. These programs pay benefits when you retire, or if you become disabled or die.

The Agreement has two basic objectives:

- It can help you receive benefits based on the periods you have lived or worked in Canada and Austria
- It will ensure you have continued coverage by Canadian social security programs if you are sent to work temporarily in Austria.

The Canadian benefits included in the Agreement are those paid under the Old Age Security program and the Canada Pension Plan. Please see pages 2 to 12 for more information.

The Austrian pensions included in the Agreement are the old age, disability and survivors' benefits. These pensions are paid under six major pension insurance schemes: Pension Insurance Institute for Wage Earners, Pension Insurance Institute for Salaried Employees, Austrian Mining Industry Insurance Institute, Austrian Railways Insurance Institute, Social Insurance Institute for Trade and Industry and Social Insurance Institute for Farmers. You can find more information on pages 13 to 17 .

# **CANADIAN OLD AGE SECURITY BENEFITS**

Canada's Old Age Security program provides three benefits: the Old Age Security pension, the Guaranteed Income Supplement, and the Spouse's Allowance.

## ***Old Age Security pension***

You can receive an Old Age Security pension if you meet three conditions:

- You must be age 65 or more.
- You must fulfil the residence requirements described below.
- You must be a Canadian citizen or a legal resident of Canada. (If you no longer live in Canada, you must have been a Canadian citizen or a legal resident when you left Canada.)

There are two different residence requirements for an Old Age Security pension. One is for persons who live in Canada. The other is for persons who live outside Canada or who are away from Canada for more than six months.

### ***If you live in Canada ...***

Normally, to receive an Old Age Security pension in Canada, you must have lived in this country for at least 10 years after you reached age 18.

The Agreement may help you receive an Old Age Security pension even if you have not lived in Canada for 10 years. As long as you have lived in Canada for at least one year after you reached age 18, we will use your periods of residence in Austria after reaching age 18 to help you complete the 10-year condition.

For example, suppose you have lived in Canada for four years after reaching age 18. Under the Agreement, you may receive an Old Age Security pension in Canada if you have lived in Austria for six years or more after the same age.

### **If you live outside Canada, or if you are away from Canada for more than six months ...**

Normally, to receive an Old Age Security pension outside Canada, you must have lived in this country for at least 20 years after you reached age 18. You must meet this 20-year condition if you live outside Canada when you apply for your pension. You must also meet this condition if you are already receiving a pension in Canada and you leave for more than six months.

The Agreement may help you receive an Old Age Security pension outside Canada even if you have not lived in Canada for 20 years. As long as you have lived in Canada for at least one year after you reached age 18, we will use your periods of residence in Austria after age 18 to help you complete the 20-year condition.

For example, suppose you have lived in Canada for 15 years after age 18. Under the Agreement, you may receive an Old Age Security pension outside Canada if you have lived in Austria for five years or more after the same age.

## ***How we calculate your pension under the Agreement***

The amount of your Old Age Security pension will depend on how long you have lived in Canada after you reached age 18.

It normally takes 40 years of residence to receive a full pension. If you have lived in Canada less than 40 years, you will receive a partial pension. The partial pension will equal 1/40th of a full pension for each year you lived in Canada after age 18.

If your income is high, the amount of pension you receive may be less, or you may not receive any pension at all.

Once you start to receive a partial Old Age Security pension, additional residence in Canada after that date does not increase the amount of your pension.

## **Guaranteed Income Supplement**

You can receive a Guaranteed Income Supplement if you have little or no income other than the Old Age Security pension. To receive a Supplement, you must live in Canada and receive an Old Age Security pension.

If you leave Canada, you can continue to receive the Guaranteed Income Supplement for the next six months. If you stay away longer, you will stop receiving it. You may reapply for the Supplement if you return to Canada.

## ***Spouse's Allowance***

You can receive a Spouse's Allowance if you are between age 60 and 64 and your spouse receives a Guaranteed Income Supplement. You can also receive a Spouse's Allowance if you are a widow or widower age 60 to 64 and have little or no income of your own. In either case, you must live in Canada.

Normally, to receive a Spouse's Allowance, you must have lived in Canada for at least 10 years after you reached age 18.

The Agreement may help you receive a Spouse's Allowance even if you have not lived in Canada for 10 years. As long as you have lived in Canada for at least one year after you reached age 18, we will use your periods of residence in Austria after the same age to help you complete the 10-year condition.

If you leave Canada, you can continue to receive the Spouse's Allowance for the next six months. If you stay away longer, you will stop receiving it. You may reapply for the Allowance if you return to Canada.

When you reach age 65, your Spouse's Allowance will stop, and you will start to receive an Old Age Security pension.

### ***How we calculate your Guaranteed Income Supplement or your Spouse's Allowance under the Agreement***

The amount of your Guaranteed Income Supplement and Spouse's Allowance depends on two things:

- The length of time you have lived in Canada after you reached age 18.
- Your income. (If you have a spouse, the amount of your benefit will depend on the combined income of you and your spouse.)

Unlike the Old Age Security pension, additional residence in Canada after you start to receive your Guaranteed Income Supplement or Spouse's Allowance may increase the amount of your benefit.

If you are a sponsored immigrant, you may not be eligible for a Guaranteed Income Supplement or a Spouse's Allowance.

# CANADA PENSION PLAN BENEFITS

Under the Canada Pension Plan, you can receive benefits when you retire, or if you become disabled. The Plan will also pay benefits to your survivors after you die.

To qualify for these benefits, you must have contributed to the Plan. You must also meet the other requirements described below.

The Canada Pension Plan began in 1966. It covers almost all persons who are age 18 to 70 and working in Canada, except in Quebec. A similar plan, the Quebec Pension Plan, applies to persons working in Quebec.

You can receive Canada Pension Plan benefits anywhere in the world. It makes no difference if you live in Canada or another country.

## *Retirement pension*

You can receive a retirement pension if you have reached retirement age. You must also have contributed to the Plan in at least one year during your working life.

The normal retirement age is 65. If you have reached this age, you may receive a retirement pension even if you are still working. You may also receive a retirement pension if you are age 60 to 64. In this case, however, you must either have stopped working or your earnings from work must be relatively low.

If your retirement pension starts before you are age 65, it is reduced by 0.5 percent for each month between the month the pension begins and the month of your 65th birthday. For example, if you start your pension six months early, it is reduced by 3 percent ( $6 \times 0.5$ ). The reduction is permanent.

On the other hand, if your pension starts after you reach age 65, it is increased by 0.5 percent for each month of postponement up to age 70.

## ***Disability benefits***

To receive a disability pension, you must be under age 65 and disabled. You must also have contributed to the Plan in four of the six calendar years immediately before you became disabled.

You are considered disabled if you have a physical or mental disability that is both severe and prolonged. “Severe” means your condition prevents you from working regularly at any job. “Prolonged” means your condition is long-term or is likely to result in your death.

The Agreement may help you receive a disability pension even if you have not contributed to the Canada Pension Plan in four of the six calendar years immediately before you became disabled. As long as you have contributed to the Plan in at least one year at any time during your working life, we will use your periods of contributions to

the Austrian Pension Insurance schemes after you reached age 18 to help you meet the minimum required period.

If you are receiving a disability pension and have a dependent child, the Canada Pension Plan may pay an additional benefit for your child. The child must be under age 18, or between 18 and 25 and in full-time attendance at school or university.

## ***Survivor benefits***

If you have contributed to the Canada Pension Plan, your spouse and dependent children may receive benefits after you die. There are three benefits: the surviving spouse's pension, the surviving child's benefit and the death benefit.

For your survivors to receive any of these benefits, you must have contributed to the Plan for a minimum period. The minimum period varies between three and ten years, depending on your age when you die.

The Agreement may help your survivors receive benefits even if you have not contributed to the Canada Pension Plan for the minimum required period. As long as you have contributed to the Plan in at least one year at anytime during your working life, we will use your periods of contributions to the Austrian Pension Insurance schemes after you reached age 18 to help complete the minimum required period.

## **Surviving spouse's pension**

To receive a pension, your surviving spouse must be age 35 or more at the time of your death, or must be caring for your child, or must be disabled.

The term “surviving spouse” means a person of the opposite sex with whom you are in a legal or common-law marriage at the time of your death. A common-law spouse is a person of the opposite sex with whom you have been living in a conjugal relationship for at least one year.

Widows and widowers are both eligible for a surviving spouse's pension. Even if your surviving spouse later remarries, he or she will continue to receive the pension.

## **Surviving child's benefit**

Your dependent children may receive surviving child's benefits in the event of your death. The child must be under age 18, or between 18 and 25 and in full-time attendance at school or university.

## **Death benefit**

Your estate may also receive a death benefit when you die. This is a one-time-only payment.

## **How we calculate your Canada Pension Plan benefits under the Agreement**

Some Canada Pension Plan benefits are based entirely on the earnings on which you or your deceased spouse paid contributions to the Plan. Other benefits are flat-rate. Still other benefits are a combination of the two.

## **PAYMENT OF YOUR CANADIAN BENEFITS**

You will receive your Old Age Security and Canada Pension Plan benefits monthly. Payments will always be in Canadian dollars.

If you live in Canada or the United States, you can receive your benefits by cheque or direct deposit to your bank account. The choice is yours. If you live in another country, you will receive your benefits by cheque.

## **TAXATION OF YOUR CANADIAN BENEFITS**

Old Age Security pensions and Canada Pension Plan benefits are taxable under Canada's *Income Tax Act*. If you live in Canada, you must declare these benefits on your annual tax return.

If you live outside Canada, part of your benefit may be withheld for Canadian income tax. The rate of withholding will depend on the country in which you live. In most countries, including Austria, the rate of withholding is 25 percent. However, there are some countries in which the rate is less. This depends on Canada's tax treaties with those countries.

If you live outside Canada, you may qualify for a reduction in the rate of withholding. This will depend on your income. To find out if you qualify for a reduction, you must apply to the Canada Customs and Revenue Agency (CCRA) by completing form NR-5.

For more information on the taxation of your Canadian benefits or a copy of form NR-5, you should contact the Canada Customs and Revenue Agency (CCRA). From Canada or the United States, please call 1-800-267-5177. From other countries, you can call +1-613-952-3741, or write to the following address:

**International Tax Services Office  
Canada Customs and Revenue  
Agency (CCRA)  
OTTAWA, Ontario K1A 1A8  
CANADA**

Fax: +1-613-941-2505

# AUSTRIAN PENSIONS

The Austrian pension system is composed of six major pension insurance schemes. These are the Pension Insurance Institute for Wage Earners, Pension Insurance Institute for Salaried Employees, Austrian Mining Industry Insurance Institute, Austrian Railways Insurance Institute, Social Insurance Institute for Trade and Industry and Social Insurance Institute for Farmers.

The Austrian pensions included in the Agreement are the old age, disability and survivors' pensions. If you have contributed to the Austrian pension system, you may be entitled to receive a pension from Austria.

## *Old Age pensions*

You can receive an old age pension from Austria if you have reached the retirement age and have contributed to the Austrian pension system for a minimum period. There are four types of old age pensions. The qualifying conditions for each of these pensions are described below. It is important to note that other conditions may apply.

- **Old age pension:** You can receive an old age pension at age 65 if you are a man or at age 60 if you are a woman provided you have contributed to the Austrian pension system in 180 months of the last 360 calendar months.

- **Early old age pension (long term service):** You can receive an early old age pension at age 60 if you are a man or at age 55 if you are a woman. You must have contributed to the Austrian pension system for 450 months. In addition, you must have contributions in 240 months of the last 360 calendar months or 240 months of work-related contributions.
- **Early old pension (unemployment):** You can receive an early old age pension at age 60 if you are a man and at age 55 if you are a woman provided you are unemployed and have received 52 weeks of unemployment benefits in the last 15 months. You must have contributed to the Austrian pension system in 240 months of the last 360 calendar months or 240 months of work-related contributions.
- **Early old age pension (reduced work capacity):** You can receive an early old age pension at age 57 if you are a man and at age 55 if you are woman provided you have a mental or physical disability which prevents you from earning 50% of your yearly income. You must have contributed to the Austrian pension system in 180 months of the last 360 calendar months or 240 months of work-related contributions.

The Agreement may help you receive an old age pension from Austria even if you have not contributed to the Austrian pension system for the minimum required period. As long as you have contributed to the Austrian pension system for at least 12 months, your periods of residence in Canada after age 18 or periods of contributions to the Canada Pension Plan can be used to help you qualify.

## ***Disability pension***

You can receive a disability pension if your earning capacity from employment or self-employment has been reduced and if you are not eligible for an early old age pension. If you are under age 50, you must have contributed to the Austrian pension system for 60 months of the last 120 calendar months. Additional contributions are required if you are over age 50. You can also qualify if you have a total of 300 months of contributions or 180 months of work-related contributions.

The Agreement may help you receive a disability pension from Austria even if you have not contributed to the Austrian pension system for the minimum required period. As long as you have contributed to the Austrian pension system for at least 12 months, your periods of residence in Canada after age 18 and periods of contributions to the Canada Pension Plan can be used to help you qualify.

## ***Survivors' pensions***

Your spouse and dependent children may receive benefits when you die and if you have contributed to the Austrian pension system for at least 60 months in the last 120 calendar months, or if you are in receipt of an Austrian pension at the time of your death. If you are over age 50 at the time of your death, additional contributions are required.

### ***Surviving spouse's pension***

The duration of surviving spouse's pension will vary according to your spouse's age at the time of your death, the length of time you were married and whether you had children.

### ***Surviving child's pension***

Your children can receive pensions if, at the time of your death, they are under age 18 or between the ages of 18 and 27 and attending school full-time. There is no age limit if the child is disabled.

The Agreement may help your survivors receive a pension from Austria even if you have not contributed to the Austrian pension system for the minimum required period. As long as you have contributed to the Austrian pension system for at least 12 months, your periods of residence in Canada after age 18 and periods of contributions to the Canada Pension Plan can be used to help you qualify.

### ***How your Austrian pensions are calculated under the Agreement***

When an Austrian pension is paid under the Agreement, the Austrian pension insurance institution determines the amount payable on the basis of your actual periods of contribution under the Austrian pension insurance schemes and the earnings corresponding to those periods.

### ***Payment of your Austrian pensions***

Austrian pensions are paid by Austrian pension insurance institutions directly to you, whether you live in Austria, Canada or elsewhere.

# TEMPORARY POSTINGS IN AUSTRIA

Many Canadians go abroad, as part of their work, on temporary postings in another country. These postings might be to the same company, or to a related company (for example, an affiliate or subsidiary in another country).

The Agreement on Social Security between Canada and Austria ensures that you can continue to contribute to the Canada Pension Plan if your employer sends you to Austria to work temporarily. In this way, your Canada Pension Plan protection will not be interrupted. The Agreement also ensures that you will not have to contribute to the Austrian pension insurance schemes while you are working in Austria.

For this provision of the Agreement to apply to you, you must be working in Canada and contributing to the Canada Pension Plan before your posting to Austria. The posting must be part of your work duties. It cannot be an entirely new job in Austria which has no relation to your job in Canada. Finally, the posting cannot be expected to last more than 60 months.

To benefit from the provisions of the Agreement regarding temporary postings, you and your employer have to obtain a certificate of coverage. You can get such a certificate from the Canada Customs and Revenue Agency (CCRA). For more information, you or your employer should contact:

**Revenue Collections  
Ottawa Tax Services Office  
Canada Customs and Revenue  
Agency (CCRA)  
OTTAWA, Ontario K1A 0L9  
CANADA**

Tel: **+1-613-598-2408**  
[collect calls are accepted]  
Fax: **+1-613-238-7125**

## **APPLYING FOR BENEFITS**

### **If you live in Canada...**

If you live in Canada and want to apply for Canadian or Austrian benefits, please call Human Resources Development Canada.

You can reach us at:

- 1-800-277-9914 (English)
- 1-800-277-9915 (French)
- 1-800-255-4786 (if you have a hearing or speech impairment and use a TDD/TTY device).

Please have your Canadian social insurance number ready.

You can also write to us at the following address:

**International Operations  
Income Security Programs  
Human Resources Development Canada  
OTTAWA, Ontario K1A 0L4  
CANADA**

E-mail: **ibfa.piae@hrdc-drhc.gc.ca**  
Fax: **+1-613-952-8901**

We will send you an application form. You will need to complete the form and return it to us.

### **If you live in Austria...**

If you live in Austria, you can apply for Canadian benefits at your nearest pension insurance office. They will provide you with an application form, along with instructions to help you complete it. You should return the completed application form to that office. They will forward it to us.

## *Notes*

## *Notes*



